

## CALIFORNIA

# Dairy Review

VOLUME 8 ISSUE 2

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California Department of Food and Agriculture A.G. Kawamura, Secretary

## CWT Export Assistance Program Is Underway

Cooperatives Working Together (CWT), the farmer-funded milk reduction effort managed by NMPF, announced the acceptance of the first bid under the export assistance program, meaning that 40,000 pounds of cheese will be shipped overseas thanks to the farmer-funded milk reduction effort managed by NMPF. CWT officials announced that 18 metric tons (approx. 40,000 lbs.) of Cheddar will be exported to Japan by Dairy Farmers of America of Kansas City, MO, one of the member cooperatives of CWT. DFA's bid of \$0.37 per pound was accepted, an amount that the cooperative will be paid by CWT once completion of the cheese shipment is verified. In addition, a second round of bidding resulted in five bids being accepted for the export of a total of 1,537 metric tons (3.38 million pounds) of cheese. Of this total, 2.2 million pounds are destined for Saudi Arabia, 1.1 million pounds will go to Jordan, and 82,000 pounds to Japan. To date, CWT total cheese exports total 3.42 million pounds.

CWT's goal is to export approximately 30 million pounds of cheese during the next five months, and about 10 million pounds of butter (volumes that represent about 500 million pounds of milk equivalent). Exports will occur as CWT's members bid to be compensated for selling cheese and butter to customers overseas. Only CWT member organizations are eligible to participate in the program. CWT will award export bonuses based on the lowest bid prices.

CWT will operate the export assistance program during those periods when the U.S. price of cheese is \$1.30 per pound or lower for cheese, or \$1.10/lb. or lower for butter.

Cooperatives Working Together is being funded by dairy cooperatives and individual dairy farmers, who are contributing 5 cents per hundredweight assessment on their milk production from July 2003 through June 2004. At the upcoming March NMPF Board Meeting, a vote will be taken to determine if the CWT program should be renewed for July 1, 2004-June 30, 2005, subject to participation by 65 percent of the milk volume nationally.

## December Milk Production

Milk production in California for December 2003 totaled 2.9 billion pounds, up 0.1 percent from December 2002, according to USDA. USDA's estimate for U.S. milk production for December 2003 in the 20 major dairy states is 12.3 billion pounds, down 0.3 percent from December 2002. Production per cow in the 20 major states averaged 1,589 pounds for December, 14 pounds above December 2002.

## Minimum Class Prices

Statewide average hundredweight prices

<u>Class</u>	December	January	February
1	\$15.25	\$14.01	\$ 13.48
2	\$10.89	\$10.89	\$ 11.45
3	\$10.73	\$10.73	\$ 11.29
<b>4</b> a	\$10.45	\$10.75	\$ N/A
4b	\$11.61	\$11.10	\$ N/A

# Federal Order and California Minimum Class 1 Prices

Average Hundredweight Prices

3			
Regions	Dec.	Jan.	Feb.
Phoenix, Arizona	\$16.19	\$14.20	\$13.94
Southern California	\$15.39	\$14.15	\$13.62
Portland, Oregon	\$15.74	\$13.75	\$13.49
Northern California	\$15.11	\$13.88	\$13.34
Boston (Northeast)	\$17.09	\$15.10	\$14.84

## Quota Transfer Summary

For December 2003, three dairy producers transferred 2,238 pounds of SNF quota. December quota sales averaged \$460 per pound of SNF (without cows), an average ratio of 2.44. For January 2004, seven dairy producers transferred 8,016 pounds of SNF quota. January quota sales averaged \$417 per pound of SNF (without cows), average ratio of 2.55.

## Alfalfa Update: January

Northern California: Premium and Supreme alfalfa was steady with good demand, with most supplies coming from out of state at the end of the month. Fair and Good alfalfa was steady with moderate supplies and demand. Retail and Stable hay was steady with producers questioning if supplies will last until new production is available.

**Southern California:** Premium and Supreme alfalfa was steady throughout the month with the end of the month bringing higher prices for quality. Fair and Good alfalfa was steady with moderate-to-heavy supplies. Retail and Stable hay was steady with moderate supplies and demand. Most supplies in Antelope Valley/Mojave desert all tied up. Exporters currently not showing interest in hay.

## Supreme Hay Prices

Statewide average prices per ton

<u>Area</u>	<u>1/2</u>	<u>1/9</u>	<u>1/16</u>	<u>1/23</u>
Petaluma	\$160	\$148-160	\$160	\$153-160
North Valley <sup>1</sup>	\$140-155	\$140-153	\$147-160	\$149-160
South Valley <sup>2</sup>	\$143	\$143-168	\$140-157	\$145-155
Chino Valley			\$127-129	

<sup>&</sup>lt;sup>1</sup> North Valley is Escalon, Modesto and Turlock areas.

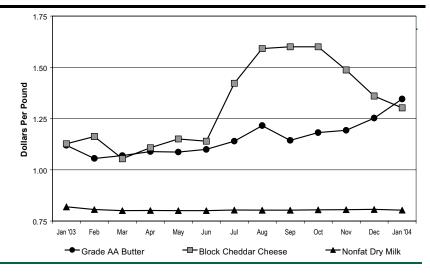
## Alfalfa Hay Sales/Delivery

	December	January
Tons Sold <sup>1</sup>	84,308	69,902
Tons Delivered <sup>2</sup>	31,550	31,555

<sup>&</sup>lt;sup>1</sup> For current or future delivery.

Alfalfa hay sales, deliveries and Supreme quality prices per ton, delivered to dairies, as reported by the USDA Market News Service, Moses Lake, WA, (509) 765-3611, http://www.ams.usda.gov/marketnews.htm

Grade AA Butter, Block Cheddar Cheese, and Nonfat Dry Milk Prices Used in the Calculation of California Class 1 Milk Prices



<sup>&</sup>lt;sup>2</sup> South Valley is Tulare, Visalia and Hanford areas.

<sup>&</sup>lt;sup>2</sup>Contracted or current sales.

## What's On Your Mind? Your Questions ... Our Answers ...

## 1. What is meant by pooled milk? By non-pooled milk?

Only Grade A milk can be pooled, but not all Grade A milk is pooled. Grade B milk is not pooled.

Grade A milk can be considered pooled milk by its association with a particular plant. For example, all plants processing Class 1 or Market Grade required Class 2 products are designated as pool plants, and therefore, any Grade A milk they receive is considered pooled milk. All of the milk marketed by cooperatives is pooled. Plants that process products other than those considered Class 1 or 2 may have the option to declare pool or nonpool status.

Current regulations specify that:

- Grade A producer milk that is shipped to a pool plant or diverted by a pool plant to a non-pool plant is considered pool milk.
- Grade A producer milk that is shipped to a non-pool (or depooled) plant is considered non-pool (or depooled) milk

Consider the following scenarios:

- If you are an independent producer and ship your milk either to a pool plant, your milk is pooled.
- If you are an independent producer and ship your milk to a non-pool plant, your milk is not pooled.
- If you are a cooperative Grade A producer (member of a cooperative), your milk is pooled.
- If you are a Grade B producer, your milk is not pooled.

## 2. There are discussions within the industry about depooling. What does depooling mean?

#### With respect to processing plants:

Any plant that processes non-market grade required Class 2, 3, 4a and/or 4b products is considered a non-pool plant. This same plant may elect to obtain pool plant status by diverting monthly one load of milk from their contract shipper to a plant that processes Class 1 or Market Grade Class 2 products. However, a plant's pool status is not the only consideration when trying to determine whether milk is pooled or depooled. It is not unusual to have nonpool plants receiving and processing pooled milk. For example, a Class 3 plant may declare nonpool status, but if it receives milk from a pool plant, the milk is considered pooled.

A change in the Pool Plan, effective January 1, 2004 restricts the ability of plants to depool and repool on a monthly basis. Any plant that does not process Class 1 or mandatory Class 2 milk products has the option to change its pool status. However, any change in plant

status, whether it be pool or nonpool, must be adhered to for a minimum of twelve consecutive months.

#### With respect to producers:

An independent producer may choose to market his or her milk to a pool plant or non-pool plant. However, some restrictions may apply to how often a producer can switch associations with pool and non-pool plants.

The changes in the Pool Plan effective January 1, 2004 go beyond strictly plant depooling to address how producer milk will be handled by the pool when depooling and repooling becomes an issue. Any milk originating from a farm that had been depooled can only be repooled within a twelve-month period if it is shipped directly to a plant with Class 1 or mandatory Class 2 usage. Any plant that purchases farm milk that was previously depooled and then pooled for less than twelve months will receive a charge based on the usage of the milk and a credit at the receiving plants manufacturing percentages.

#### 3. Why can't we keep our quota and still depool?

In a technical sense, producers **can** own quota and have their (Grade A) milk not pooled. However, the Pooling Plan specifies that a producer who owns quota must ship to a pool plant within a 60-day period or the producer will forfeit any quota that he or she owns.

## 4. What would the blend price be if there was no quota?

A pool blend price is calculated every month in the course of calculating quota and overbase prices. The table below shows the blend price relative to the calculated pool prices for 2003. While the table shows the most recent data available, the price differences are not time dependent and tend to be very stable from month to month. The data show that if a blend price were to replace the current pool price, the overbase price would increase by about \$0.46 per hundredweight, and the quota price would decrease by about \$1.24 per hundredweight.

Pool Prices and Resulting Blend Price Without Quota, 2003								
Quota Price Overbase Price Blend Price								
January	\$11.42	\$9.72	\$10.18					
February	\$11.10	\$9.40	\$9.85					
March	\$10.92	\$9.22	\$9.67					
April	\$11.02	\$9.32	\$9.77					
May	\$11.04	\$9.35	\$9.80					
June	\$11.20	\$9.50	\$9.96					
July	\$12.75	\$11.05	\$11.52					
August	\$13.96	\$12.26	\$12.72					
September	\$14.37	\$12.67	\$13.14					
October	\$14.47	\$12.78	\$13.24					
November	\$13.58	\$11.88	\$12.34					
December	N/A	N/A	N/A					

(Continued on next page)

#### **Questions/Answers** (from previous page)

## 5. Why do dairy producers have to degrade to depool and plants can depool at will?

Depooling and degrading are not the same thing. Degrading is in reference to milk produced at a farm with that has a Market Milk Permit issued to it, but the farm or the milk no longer meets Market Milk standards. The milk produced at such a farm is considered "restricted use market milk" and is pooled, but valued in the pool at the lower of Class 4a or Class 4b.

Producers can de-pool their milk in one of two ways. First they can elect to produce Grade B milk for a calendar year, and their milk would not be pooled. Second, they can ship under contract to a nonpool plant. However, there are some restrictions that limit how frequently such a switch might occur (see response to Question 2). Operating a Grade B dairy facility precludes the producer from holding quota.

## 6. Does giving up quota mean we have to go into a Federal Order?

No. Prior to the existence of quota and the Milk Pooling program, California was separate from the Federal Milk Marketing Order system. Quota and the two-tiered pricing system are just one facet of the Milk Pooling program. If quota were to be abolished, the program could continue to exist and perform its other duties as prescribed in law. Making such a change could not be done administratively however, rather, legislative changes would be required.

## Governor Schwarzenegger Appoints Chuck Ahlem as Undersecretary for CDFA

Governor Schwarzenegger announced the appointment of Charles "Chuck" D.ahlem as undersecretary of the California Department of Food and Agriculture. Chuck Ahlem is a rancher from the Central Valley and is a founding partner and part owner of the Hilmar Cheese Company. From 1996 to 2000 Ahlem served as a board member of the Central Valley Regional Water Quality Control Board and in 1996 he accompanied then-California Agriculture Secretary Veneman as Dairy Representative on a trade mission to China, Vietnam, Korea, and Japan. Since 1994, Ahlem has served as a member of the California State Board of Food and Agriculture and is also a member of the Western United Dairymen, California Dairy Council, USDA Agricultural Trade Policy Committee, and Merced County Farm Bureau.

Ahlem holds a Bachlor of Science in Dairy Science from CSU Fresno. He is also a member of the Cal Poly, San Luis Obispo Dean's Agricultural Advisory Committee and serves as a member of the University of California President's Advisory Committee on Agriculture and Natural Resources.

## National Dairy Situation and Outlook – USDA Estimates

#### Milk Production and Cow Numbers

Monthly: Compared to 2002, USDA estimates that overall milk production across the U.S. was down 0.7% in December, led by Texas' 9.4% growth in milk production (on 6,000 more cows and 110 more pounds per cow). California's estimated production was up 0.8% (on 22,000 more cows and 10 less pounds per cow). Among other western states, Arizona was up 2.1%; New Mexico up 6.5%; and Washington down 1.9%. Five of the top 10 states reported a decrease: New York -3.7%; Washington -1.9%; Minnesota -2.1%, Wisconsin -0.9%, and Pennsylvania -6.9%.

Quarterly: For the fourth quarter of 2003 compared to the third quarter of 2003, U.S. milk cow numbers were down 0.6% at 9.010 million, production per cow was up 0.3%; the net effect was a 0.2% decrease in milk production to 41.4 billion pounds. USDA projects that for the first quarter of 2004 compared to the fourth quarter of 2003, U.S. milk cow numbers will decrease 40,000 cows to 8.970 million cows, production per cow will be up 4.9%; the net effect would be a 4.3% increase in milk production to 43.2 billion pounds.

#### Milk Prices

Comparing the fourth quarter of 2003 to the third quarter of 2003, U.S. average milk prices were up \$1.20/cwt. to \$14.40/cwt. USDA projects that for the first quarter of 2004, U.S. average milk prices will be down \$1.60-2.00/cwt. compared to the fourth quarter; including a \$0.25-\$0.35 decrease/cwt. Class 4b price change and a \$2.10-2.49 decrease/cwt. Class 4a price change.

#### **Utility Cow Prices**

Comparing the fourth quarter of 2003 to the third quarter of 2003, average U.S. utility cow prices were up \$0.16/cwt. to a national average of \$50.00/cwt. USDA projects that utility cow prices will average \$45-47 in the first quarter of 2004.

Information from the USDA-NASS publication "Milk Production" and the USDA-ERS publication: "Livestock, Dairy, and Poultry Outlook."

# Secretary Announces Protection Measures to Guard Against BSE

Agriculture Secretary Ann M. Veneman has announced additional safeguards to bolster the U.S. protection systems against Bovine Spongiform Encephalopathy, or BSE, and further protect public health. These policies have been under consideration for many months, especially since the finding of a case of BSE in Canada in May 2003. The policies will further strengthen protections against BSE by removing certain animals and specified risk material and tissues from the human food chain; requiring additional process controls for establishments using advanced meat recovery (AMR); holding meat from cattle that have been tested for BSE until the test has confirmed negative; and prohibiting the air-injection stunning of cattle. For more information please visit www.usda.gov.

While many cattle in the United States can be identified through a variety of systems, the Secretary announced that USDA will begin immediate implementation of a verifiable system of national animal identification. The development of such a system has been underway for more than a year and a half to achieve uniformity, consistency and efficiency across this national system. Specifically, USDA will take the following actions:

**Downer Animals**. Effectively immediately, USDA will ban all downer cattle from the human food chain. USDA will continue its BSE surveillance program.

**Product Holding.** USDA Food Safety and Inspection Service inspectors will no longer mark cattle tested for BSE as "inspected and passed" until confirmation is received that the animals have, in fact, tested negative for BSE. This new policy will be in the form of an interpretive rule that will be published in the Federal Register.

To prevent the entry into commerce of meat and meat food products that are adulterated, FSIS inspection program personnel perform ante- and post-mortem inspection of cattle that are slaughtered in the United States. As part of the ante-mortem inspection, FSIS personnel look for signs of disease, including signs of central nervous system impairment. Animals showing signs of systemic disease, including those exhibiting signs of neurologic impairment, are condemned. Meat from all condemned animals has never been permitted for use as human food.

**Specified Risk Material.** Effective immediately upon publication in the Federal Register, USDA will enhance its regulations by declaring as specified risk materials skull, brain, trigeminal ganglia, eyes, vertebral column,

spinal cord and dorsal root ganglia of cattle over 30 months of age and the small intestine of cattle of all ages, thus prohibiting their use in the human food supply. Tonsils from all cattle are already considered inedible and therefore do not enter the food supply. These enhancements are consistent with the actions taken by Canada after the discovery of BSE in May.

In an interim final rule, FSIS will require federally inspected establishments that slaughter cattle to develop, implement, and maintain procedures to remove, segregate, and dispose of these specified risk materials so that they cannot possibly enter the food chain. Plants must also make that information readily available for review by FSIS inspection personnel. FSIS has also developed procedures for verifying the approximate age of cattle that are slaughtered in official establishments. State inspected plants must have equivalent procedures in place.

Advanced Meat Recovery. AMR is an industrial technology that removes muscle tissue from the bone of beef carcasses under high pressure without incorporating bone material when operated properly. AMR product can be labeled as "meat." FSIS has previously had regulations in place that prohibit spinal cord from being included in products labeled as "meat." The regulation, effective upon publication in the Federal Register, expands that prohibition to include dorsal root ganglia, clusters of nerve cells connected to the spinal cord along the vertebrae column, in addition to spinal cord tissue. Like spinal cord, the dorsal root ganglia may also contain BSE infectivity if the animal is infected. In addition, because the vertebral column and skull in cattle 30 months and older will be considered inedible, it cannot be used for AMR.

In March 2003, FSIS began a routine regulatory sampling program for beef produced from AMR systems to ensure that spinal cord tissue is not present in this product. In a new interim final rule announced today, establishments have to ensure process control through verification testing to ensure that neither spinal cord nor dorsal root ganglia is present in the product.

**Air-Injection Stunning.** To ensure that portions of the brain are not dislocated into the tissues of the carcass as a consequence of humanely stunning cattle during the slaughter process, FSIS is issuing a regulation to ban the practice of air-injection stunning.

**Mechanically Separated Meat.** USDA will prohibit use of mechanically separated meat in human food.

# **USDA Proposes Termination of Western Milk Marketing Order**

WASHINGTON, Jan. 12, 2004 - The U.S. Department of Agriculture today announced that it is considering the termination of the Western milk marketing order effective April 1, 2004, because producers did not approve the issuance of the order as amended by a tentative final decision issued in August 2003. The Western Milk Marketing Order consists of Utah, and Parts of Nevada, Idaho and western Oregon and represents approximately 3.2% of U.S. milk production.

This action is necessary because a milk marketing order must be approved by at least two-thirds of the producers whose milk would be regulated under the terms of an order. When an amended milk marketing order is not approved by producers, USDA takes action to terminate it because, without the needed amendments, the order does not comply with the Agricultural Marketing Agreement Act of 1937, as amended.

The proposed termination will be published in the Jan.13 Federal Register. Interested persons will have 30 days to submit written data, views and arguments as to why the order should not be terminated. Send two copies to the USDA/AMS/Dairy Division, Order Formulation and Enforcement Branch, Room 2971, Stop 0231, 1400 Independence Ave., SW, Washington, DC 20250-0231.

# Parmalat Bankruptcy Affects U.S. Dairy Industry

Parmalat is the 25th largest dairy processor in the U.S. with estimated U.S. dairy sales in 2002 of \$625 million. The company, headquartered in Italy, has six plants in the U.S.: Dasi Products of Decatur, Alabama; New Atlanta Dairies in Atlanta, Georgia; Parmalat/ White Knight in Grand Rapids, Michigan; Farmland Dairies in Wallington, New Jersey; Welsh Farms in WestCaldwell, New Jersey, and Sunnydale Farms in Brooklyn, New York. These plants receive close to 200 million pounds of milk per month, which could make Parmalat's monthly milk bill as much as \$30 million. Some of the states involved are reported to have funds set up to compensate farmers in the event of a processor default. It is reported that New York and Pennsylvania have funds similar to California's Milk Producers Trust Fund, but other states have less coverage for their dairy producers.

## Notice of Handlers Ineligible for Coverage Under Milk Producers Security Trust Fund

On January 12, 2004, a notice was sent to producers concerning the following handlers becoming ineligible for coverage under the Milk Producers Security Trust Fund. If you have any questions, please call Bob Maxie at (916) 341-5901. To view the entire Ineligible List, visit the Department's website at:

http://www.cdfa.ca.gov/dairy/pdf/IneliList.PDF

The following handler is ineligible for coverage under the Milk Producers Security Trust Fund because of failure to pay the amount due to the Pool Settlement Fund in accordance with Section 62712 (c) of the Food and Agricultural Code.

Handler: Organic Pastures Dairy Company, LLC 7221 South Jameson Avenue Fresno, CA 93706-9386

The following handler is ineligible for coverage under the Milk Producers Security Trust Fund because of failure to acquire a bond as required by Section 61405 of the California Food and Agricultural Code.

Handler: Valley Gold, LLC PO Box 37 Gustine, CA 95332

Producers who do not have contracts with these handlers on file with the Department were notified that as of January 17, 2004, shipments will not be covered by the Milk Producers Security Trust Fund, and they are selling bulk milk to the above handlers at their own risk.

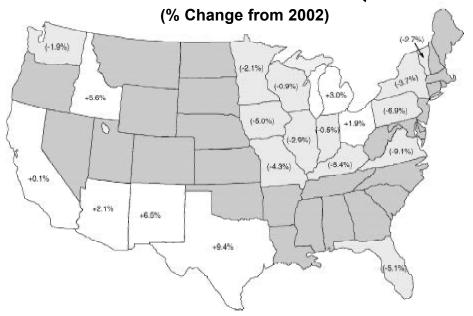
#### **Tulare Farm Show**

The annual Tulare Farm Show is scheduled to run February 10-12, 2004, at the World Ag Expo, just off Highway 99 in Tulare. The Farm Show has been an integral part of the farming industry for many years, offering a wide variety of exhibits, information, equipment, and computer technologies to those interested in learning more about the latest advances in the industry.

#### **Organic Lawsuit Decision**

Late in 2003, the Horizon/Straus litigation was resolved with the Department sustained at the Federal District Court level in San Francisco. The court decided that organic milk should be treated similarly as non-organic milk (Grade A) in its pricing and pooling accountability and in the role that the Department has in this process. The plantiffs have decided not to appeal the decision.

## December Milk Production in the Jop 20 States



#### For the U.S. overall, comparing December 2003 to December 2002:

- Milk production during December was down 0.7%
- The number of cows on farms was 9.001 million head, down 149,000 head
- Production per cow averaged 1,568 pounds, 15 pounds more than December 2002
- Thirteen of the top twenty producing states showed an decrease in milk production

As reported by USDA and CDFA (for California)

## Milk Production Cost Index for California

Manth	North Coast 1/		North Valley		South Valley		Southern California		Statewide Weighted Average	
Month	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003
					Dollars per	· Hundredı	veight			
January	13.86	13.90	12.97	13.00	12.90	12.68	13.10	12.95	13.0110	12.8796
February	13.86	13.90	12.97	13.00	12.90	12.68	13.10	12.95	13.0110	12.8796
March	13.91	13.98	12.50	12.52	12.49	12.19	12.98	13.12	12.6245	12.5197
April	13.91	13.98	12.50	12.52	12.49	12.19	12.98	13.12	12.6245	12.5197
May	12.99	13.48	12.50	12.53	12.94	12.34	13.05	13.82	12.8019	12.6875
June	12.99	13.48	12.50	12.53	12.94	12.34	13.05	13.82	12.8019	12.6875
July	13.30	13.65	12.59	12.91	13.57	12.87	13.42	13.95	13.1835	13.0864
August	13.30	13.65	12.59	12.91	13.57	12.87	13.42	13.95	13.1835	13.0864
September	13.92	14.21	12.89	13.10	13.39	12.86	13.70	13.77	13.2803	13.1395
October	13.92	14.21	12.89	13.10	13.39	12.86	13.70	13.77	13.2803	13.1395
November			12.99		12.78		13.26		12.9767	
December			12.99		12.78		13.26		12.9767	

<sup>1/</sup> Beginning with the January-February 2003 cost period, Del Norte/Humboldt and North Bay cost regions are combined and reported as the North Coast Region.

#### Hundredweight Pool Prices

#### Milk Mailbox Prices

1 out 1 lices		
Month	Quota	Overbase
June '02	\$11.60	\$ 9.90
July	\$11.28	\$ 9.58
August	\$11.48	\$ 9.78
September	\$11.58	\$ 9.88
October	\$11.84	\$10.14
November	\$11.44	\$ 9.74
December	\$11.48	\$ 9.78
January '03	\$11.40	\$ 9.70
February	\$11.11	\$ 9.41
March	\$10.93	\$ 9.23
April	\$11.02	\$ 9.32
May	\$11.05	\$ 9.35
June	\$11.17	\$ 9.47
July	\$12.72	\$11.02
August	\$13.96	\$12.26
September	\$14.34	\$12.64
October	\$14.45	\$12.75
November	\$13.56	\$11.86
December	\$13.09	\$11.39

	March•	April	May*	June•	August	September•	October
California*	\$10.26*	\$10.13	\$10.13*	\$11.53 •	\$12.75	\$13.24 ·	\$13.46*
USDA <sup>2</sup> •	\$10.79	\$10.83*	\$10.77*	S11.60*	\$12.91	\$14.28	\$14.88*
<sup>1</sup> California mailbox	price calculated by 0	:DEA					

Milk Mailbox Prices in Dollars per Hundredweight

2 All federal milk market order weighted average, as calculated by USDA.



In October 2003, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$14.88 per cwt., \$0.60 more than the figure of the previous month. The component tests of producer milk in October 2003 were butterfat, 3.71%; protein, 3.10%; and other solids 5.67%. On an individual reporting area basis, mailbox prices increased in all reporting area, and ranged from \$17.73 in Florida to \$13.03 in the Nothwestern States. In October 2002, the Federal milk milk order of area average mailbox price was \$11.90, \$2.89 lower.

Note: The mailbox price data series includes producer milk marketings that were not pooled under the Federal milk order system due to disadvantageous price relationships.

In accordance with the California Government Code and ADA requirements, this publication can be made available in an alternative format by contacting Karen Dapper at (916) 341-5988, by email at dairy@cdfa.ca.gov, or contacting TDD 1-800-735-0193.

Dairy Marketing Branch: Phone (916) 341-5988; Fax (916) 341-669 Website: www.cdfa.ca.gov Email: dairy@cdfa.ca.gov

Milk Pricing Information: Within California 1-800-503-3490 Outside California 1-916-442-MILK

The California Department of Food and Agriculture Dairy Marketing Branch publishes the California Dairy Review monthly. Please direct any comments or subscription requests to Karen Dapper at (916) 341-5988 or send an email to dairy@cdfa.ca.gov

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